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NEAR EAST/AFRICA BRANCH  
OFFICE OF REPORTS AND ESTIMATES  
CENTRAL INTELLIGENCE AGENCY

WORKING PAPER

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NEAR EAST/AFRICA BRANCH

INTELLIGENCE SUMMARY

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For Week Ending  
20 July 1949

GREECE

Tito and Greece: Tito's policy toward the Greek Government has not yet undergone any visible change, notwithstanding recent indications that important modifications might be in the making. The increasing bitterness, however, of the accusations that he is exchanging with the Greek guerrilla command and his eagerness to nominate a scapegoat for coming guerrilla failures probably reflect the conviction that he has nothing to gain from the guerrilla campaign and that his policy should therefore be determined by more long-range considerations. First among these is the prospect that by dropping his pro-guerrilla policy, which has already produced dwindling returns, he may gain Western economic concessions at little cost to himself. Second is Tito's realization that in his actions toward both the guerrillas and the Greek Government he must move slowly in order to ensure support at home and to avoid provoking any sharper break with the Cominform. Third is the thought that his efforts to undermine the Cominform in Greece and to promote his own brand of Communism among the thousands of Slavo-Macedonian and Greek children and guerrillas in Yugoslavia may ultimately pay him real dividends, whether as a means of threatening Greek territory or as a basis for bargaining.

SYRIA

The old school tie: President and Field Marshal Zaim, who gained his professional education at the old Turkish War Academy in Istanbul and most of his military experience in the uniform of the French Army, has been turning to his old mentors and associates in his attempts to obtain friends and backers for his new regime in Syria. Zaim has zealously wooed a far from reluctant Turkey ever since he obtained power, and although he has not gone so far as to renounce Syria's dormant claim to the Turkish province of Hatay (as has been erroneously reported in the US press) he has given new indications of his desire to work with the Turks in his recent requests that they provide instructors for the Syrian Army and places for Syrian student officers in the Turkish military schools. Zaim's concurrent leaning toward France, evidenced by his sending to Paris in search of military aid a mission headed by his brother-in-law, may also help account for his appointment to office of a number of men who collaborated with the French during the mandate period.

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Such signs of Syrian cordiality are more than welcome to the French, whose interest in restoring Franco-Syrian ties has been evident ever since January, when a group of Syrian officers was welcomed to French military schools. The French obligingly supplied arms and ammunition to the Syrian security forces in March despite the UN embargo; they took the lead among the Western powers in recognizing the Zaim regime; and they have now intimated that they would be willing to aid the Arab refugees in Syria provided they had a hand in the administration of the project. The French Legation in Damascus is busily renewing its ties with Syrian francophiles, while a Syrian-edited French-language newspaper has reappeared on the Damascus streets. Zaim probably believes that he can draw on French aid without losing any independence of action. In this, he runs the eventual risk of being outmaneuvered by the French, whose evident object is the restoration of some of their old influence in the area.

#### IRAN

Another cry for help: Foreign Minister Hekmat has now followed the example set by Prime Minister Saed, Ambassador Ala, and the Shah himself in formally submitting his own request for direct US assistance to Iran. The lack of consistency in these proposals--Hekmat's, for example, calls for a gift of \$147 million for economic development--indicates a serious lack of coordination among the top Iranian leaders, each of whom apparently considers his own plan the only real solution to Iran's problems, and hopes, in any event, to get credit for any US aid that may be obtained. The multiplicity of such proposals also reflects Iranian anxiety and dissatisfaction over the amounts which may be forthcoming from the US. Nevertheless, the Iranians are well aware that the US alone is able to offer them the economic assistance and the political and military support needed to maintain Iran's integrity, and any disappointment they may feel is thus not likely to result in a drastic foreign policy shift.

#### NOTED IN BRIEF

Some progress in resettling Greek refugees has apparently been made. Of the guerrilla-stricken population numbering 700,000 odd, 130,000 have already been resettled, and an additional 260,000 are scheduled (perhaps too optimistically) to return to their homes by October. While refugee morale is reported to have improved, the success of the program will depend on the government's ability to shoulder the extra financial and administrative burden of providing relief throughout the winter and of re-equipping the farmers for the 1949-50 planting season. Improvement in

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the local administration of the program is assured by the recent passage of the long-delayed law for appointing new, non-political provincial governors.

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Gloomy forecasts for Turkey's 1949 cereal production are likely to prove true. Already the Turks, who hoped to have an exportable surplus of breadgrains this year, are negotiating for the purchase of Canadian wheat.

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The Lebanese Government continues its purge of para-military groups possessing the capability for armed activity. Mopping-up operations are being carried out against the Syrian Popular Party, the Moslem Brotherhood has been outlawed, and the office of the Christian-dominated Phalange has been sealed by the police. The axe is expected to fall next on the Communists and the Najjadah group of Moslem extremists. It appears, however, that the Lebanese Government, although emulating Zaim's tactics, does not propose to go so far as the Syrian leader, and political parties may be permitted to function, once their armed nuclei have been destroyed.

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It appears that a loan to Iraq is being given favorable consideration by the International Bank for Reconstruction and Development. The loan would possibly amount to as much as \$20 million and would be used for the implementation of long-term irrigation and flood-control projects. The Bank's chief concern is how such a loan should be administered. If the Bank insists upon the establishment of an effective non-political control board with foreign representation, it courts the risk of being accused of meddling in Iraq's internal affairs. Without such a regulatory body, however, the loan may lose a large measure of its usefulness through graft and political chicanery.

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Iran is still pursuing its amicable tribal policy, which may succeed in winning the tribes over as trustworthy auxiliaries of the army. Recently the government requested the services of some ten French officers skilled in native affairs to guide the Iranians in the handling of certain Moslem tribes. While the French appear ready to comply with the request, they intend, in view of the US-Iranian Military Agreement, to await an informal indication of the US attitude before taking definite action. Incidentally, Iran's apparent by-passing of the US Military Missions in this matter is probably a manifestation of dissatisfaction over the alleged insufficiency of US aid.

The decimated Iranian Gendarmerie (reduced from 25,000 to 6,000 as a result of the merger with the army) was scheduled to commence operations on 16 July. As formerly, the force is to be under the Ministry of Interior, and, at least for a while, it will probably be able to operate without interference by the Ministry of War. The small size of the organization, however, will limit its ability to discharge civil police functions, and continued freedom from army interference will depend on the good will of the Shah.

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A new agreement between the Anglo-Iranian Oil Company and the Iranian Government was reportedly reached on 18 July. The fabulous trading profit reported by AIOC for 1948, totalling 50.7 million pounds (over \$200 million), was probably a major factor in prolonging the negotiations; under the old terms Iran would have received only about 9.5 million pounds, and while the new arrangements are not known it is almost certain that the British were forced to go a long way in correcting the disparity between company profits and Iran's revenue. The conclusion of the agreement, which must be ratified by the Majlis, is of benefit to both parties. The UK has been at least temporarily confirmed in control of its most valuable commercial asset, while the Iranian Government will obtain additional income which, if not squandered on military expansion, would permit full implementation of the economic development program.

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